



December 5, 2024

Greetings Chair Haadsma and Members of the House Labor Committee:

Re: **HB 4002 – 4004 and HB 4006 for hearing on Thursday, December 5, 2024**

Thank you for scheduling these important bills for a hearing.

The American Association of University Women of Michigan has as its mission the advancement of gender equity for women and girls through research, education, and advocacy. Among our highest public policy priorities is economic security for women.

Pay gap - Although much progress has been made since the passage of the federal Equal Pay Act in 1963 and Michigan's equivalent soon thereafter, a persistent pay gap between men and women continues to hurt our nation's workers and our national economy. The gender wage gap widened significantly in 2023 for the first time in 20 years, with women workers making just **82.7 cents on the dollar** compared to men, down from 84 cents in 2022 according to a September 2024 U.S. Census Bureau report.

Open wage state - The bill you are considering today in **HB 4006** is an amendment to a law Governor Millikin signed in 1978 making Michigan an open wage state. That 1978 law means that a Michigan worker may reveal their wage rate to others without fear of reprisal from their employer. The law was initiated by the Office of Women and Work in the Michigan Department of Labor as one of its first efforts by the Pay Equity Task Force after research and hearings on the subject. Enforced wage secrecy was one of the culprits identified as a barrier to achieving job-related fair and equal pay practices in Michigan.

HB 4006 - The provisions in **HB 4006** would allow an employee to request from the employer compensation information for other employees in the same or similar job along with the sex and seniority of those comparable anonymous employees. Empowering employees in this way would act as a deterrent to employers using unlawful factors such as sex in determining compensation and encourage employers to have a fair and rational compensation system based on performance or other business- or job-related factors.

HB 4002-4004 - We support increasing the penalties for violation of Michigan's wage and fringe benefit payment laws as embodied in **HB 4002 – 4004**. Employers are more likely to comply with the law if the penalties are great enough to provide a disincentive to non-compliance. Penalties need to be indexed to an inflation factor.

Thank you to those who developed this bill and to this committee for your interest in it.

Mary Pollock
Government Relations Coordinator
AAUW of Michigan